

Phillips  
P.L.I.

**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

FILE: B-189435 DATE: January 5, 1978  
MATTER OF: Claim by Central Navigation & Trading Co.  
DIGEST:

Contractor who during performance of contract in Vietnam requested partial payment in Vietnamese piasters is not entitled to have two piaster checks converted to dollars.

By letter dated May 13, 1977, the counsel for Central Navigation & Trading Co. (Central) requested that two checks, drawn on the First National City Bank, Saigon, payable in Vietnamese piasters, be reissued in the equivalent U.S. dollar amount.

Central was the contractor on contract DAJB29-75-D-0050 awarded by the Procurement Activity, United States Military Assistance Command Thailand, for stevedoring services, terminal services, barge preparation and security services at Vung Tau Harbor, Vietnam. The contract period was October 1, 1974, to March 31, 1975. There was nothing in the contract that required Central to be paid in piasters. The two piaster checks issued in the amounts of VN\$20,496,229 and VN\$15,996,821 to Central were the result of invoices requesting that it be paid for services performed in dollars and piasters on an 80/20-percent basis, respectively.

According to the contractor, the piasters were requested for payment because it expected that performance under the contract would be required beyond the March 31, 1975, completion date specified in the contract

and the piasters would be needed to pay Vietnamese national employees. In that regard, subsequent to the submission of the invoices by Central for the two checks, the contracting officer on March 25, 1975, sent Central for its signature a proposed modification extending the contract for a period of 30 days to April 30, 1975. However, the modification was never issued formally because of the deteriorating conditions in Vietnam at that time and the contract was allowed to expire on March 31, 1975.

Counsel for Central has indicated that the two checks were delivered to the contract administrator on April 14, 1975, and that the general manager immediately called the contracting officer to request that the checks be reissued in dollars because Central no longer had a need for piasters. After the contracting officer consulted with the Defense Attache Office (DAO) Comptroller, Central was advised that the checks would not be converted to dollars. On April 17, 1975, the contracting officer requested the DAO Comptroller to reconsider, but the Comptroller's position remained unchanged. On April 24, 1975, the First National City Bank, Saigon Branch, closed its operations without Central having presented the two piaster checks for credit to its account.

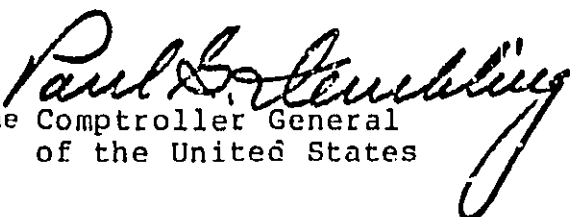
Subsequent to the United States evacuation of South Vietnam, Central continued to attempt to have the checks converted by the Army. Essentially, the Army declined to reissue the checks in dollars on the basis that Central had been paid in accordance with the contract terms and Central's specific written request for payment in piasters.

The request before our Office for the reissuance of the checks in dollars is based upon the contention that the U.S. Government did not purchase piasters to pay the two checks and that it is very unlikely that the U.S. dollars in question which were appropriated for this contract were ever converted to piasters, since Central did not present the checks for payment. However, we have been advised by the then Financial Manager (Comptroller), DAO, that in order for a piaster check to be issued in settlement of any U.S. Government official transaction

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payable in piasters at the time the checks in question were issued, the disbursing officer was required to have on deposit in the DAO account a sufficient amount of piasters purchased from the U.S. Embassy to cover the piaster check drawn by the disbursing officer. The Financial Manager stated further that the piasters would have been purchased by the Embassy on behalf of the U.S. Government direct from the National Bank of Vietnam. This indicates that piasters would have been purchased to pay the checks before they were issued and that the above-mentioned account would have had a sufficient sum in piasters to cover the checks.

Accordingly, Central's present contention provides no basis for reissuance of the checks and therefore the request is denied.

  
For the Comptroller General  
of the United States